weekly economic review

August 30, 2013

Average Weekly Earnings

Earnings dip in June, but remain well above last year's levels

Alberta average weekly earnings (AWE) fell 0.9% in June to $1,110 per week, following two months of increases. Despite the monthly decline, earnings were 3.9% higher than the same month last year, mainly reflecting increases in the average hourly wage rate. Year-over-year growth in average hours worked moderated significantly in June, with work disruptions stemming from the southern Alberta floods likely playing a role. AWE in the first half of 2013 was 4.0% higher than the same period last year.

Nationally, AWE increased 0.2% to $919 in June, and was 2.6% higher than the same month last year. All ten provinces saw year-over-year increases in June, with Alberta posting the second-largest gain after Saskatchewan.

Rigs Drilling

Drilling activity rebounds

The number of active drilling rigs in Alberta increased by 7% in August over the same month last year, the largest year-over-year increase in seventeen months. Rigs drilling has started to stabilize after a sharp drop in the second half of 2012 and declines in early 2013.

Bankruptcies

Insolvencies continue to fall

In June, the number of businesses filing for bankruptcy reached the lowest level since 2004, when the data started being reported. Business bankruptcies plunged 59.1% from the same month last year to 9. Consumer bankruptcies also fell, dropping 22.5% over the same period.

Gross Domestic Product (GDP)

Consumers prop up Canadian growth

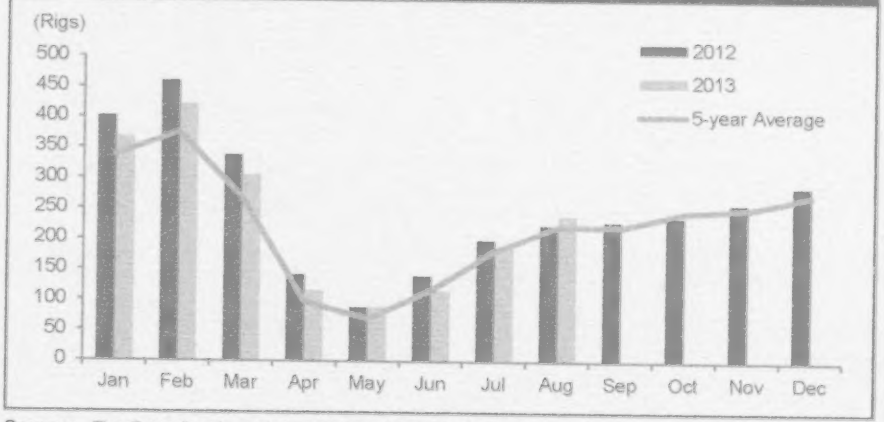
Canadian Real GDP expanded at an annual rate of 1.7% in the second quarter, down from 2.2% growth in the first quarter. The deceleration was mostly caused by weaker export growth. Household expenditures propped up GDP growth, expanding 3.8%, the largest increase since the fourth quarter of 2010. A 20.2% increase in vehicle purchases was mostly responsible for the jump in consumer spending.

In June, Canadian real GDP by industry fell by 0.5%, the largest decrease since March 2009. Construction industry output was disrupted by labour disputes in Quebec, falling by 1.9%. There were also substantial declines in manufacturing, wholesale trade, and retail trade. Oil and gas extraction bucked the downward trend, moving up 2.1% on increases in non-conventional oil extraction.

US economy strengthens

Real GDP in the US grew at an annual rate of 2.5% in the second quarter, up from 1.1% in the previous quarter. Second quarter growth was revised up by 0.8 percentage points from the advance estimate. The upward revision was due to stronger net exports and non-residential fixed investment. It is also consistent with the improvement in employment growth observed in the first half of 2013.

Alberta Rigs Drilling



Source: The Canadian Association of Oilwell Drilling Contractors

Closing Price	August 22, 2013	August 29, 2013	2013-14 Fiscal YTD
Canadian Dollar (US¢/$CAN)	95.13	95.00	97.08
WTI Oil ($US/bbl)	105.03	108.80	98.75
NYMEX Natural Gas($US/MMBtu)	3.55	3.62	3.82

Contact:

Alexander Gainer 780.638.3238

Alberta Economic Indicators

Population	2011	2012	2013YTD	Mar	Apr	May	June	July	Aug
Population (000's)	3,778	3,874	3,965		3,965				
y/y % change	1.5	2.5	3.2		3.2				
Net Interprovincial Migration[1]	8,443	28,170	38,886		13,438				
Net International Migration[1]	16,709	37,999	30,779		13,674				
Net Non-permanent Residents[1]	7,604	9,721	9,762		6,949				
Labour Market									
Employment (000's), SA	2,094	2,150	2,189	2,168	2,183	2,201	2,201	2,217	
y/y % change	3.8	2.7	2.3	1.7	1.9	2.3	2.6	3.0	
Unemployment Rate (%), SA	5.5	4.6	4.6	4.8	4.4	4.8	5.0	4.5	
Participation Rate (%), SA	73.7	73.4	72.9	72.6	72.5	73.3	73.1	73.0	
NEW: Average Weekly Earnings ($), SA	1,035.76	1,072.98	1,101.73	1,098.08	1,099.83	1,119.34	1,109.80		
y/y % change	4.4	3.6	4.0	3.4	3.5	5.4	3.9		
Price Indices									
Consumer Price Index (y/y % change)	2.4	1.1	1.4	1.2	1.3	2.3	2.3	2.2	
Excluding food and energy	0.8	1.4	1.3	1.2	0.9	1.1	1.6	1.9	
Non-Res. Building Cons. Price Index[2] (y/y % change)	3.4	3.8	1.1	1.4	--	--	0.9		
NEW: Farm Product Price Index (y/y % change)	18.1	8.3	4.9	4.4	4.9	5.9	5.3	--	
Crops	19.0	6.7	8.0	9.3	7.0	7.2	5.9	--	
Livestock	17.2	5.9	2.2	-0.2	2.9	4.8	4.7	--	
Household Sector									
Housing Starts (SAAR, 000's)	25.7	33.4	36.5	35.1	39.8	42.4	37.9	33.6	
y/y % change	5.1	29.9	9.2	-1.0	0.3	26.4	12.3	1.2	
New Housing Price Index[3] (y/y % change)	0.4	1.3	2.5	2.4	2.5	2.7	2.9	--	
Edmonton	0.9	0.9	0.6	0.6	0.4	0.2	0.6	--	
Calgary	-0.1	1.7	4.5	4.3	4.7	5.3	5.3	--	
MLS Average Resale Prices ($ 000's)	352.7	362.0	376.0	378.0	375.8	375.6	376.5	377.1	
y/y % change	0.5	2.6	4.6	5.8	4.0	2.9	4.4	4.4	
Edmonton ($ 000's)	334.2	332.7	340.9	342.3	345.3	339.6	344.7	340.0	
y/y % change	-0.7	2.6	2.7	3.3	4.7	1.1	3.7	2.8	
Calgary ($ 000's)	401.9	410.8	432.1	435.2	425.4	424.8	431.0	438.3	
y/y % change	1.1	2.2	6.1	7.6	3.5	2.6	5.3	6.8	
Retail Sales, SA (y/y % change)	6.8	6.9	6.5	5.1	6.8	7.3	7.7	--	
New Motor Vehicle Sales (y/y % change)	9.6	10.5	6.6	0.1	19.7	7.0	3.4	--	
NEW: Consumer Bankruptcies	7,029	5,759	2,560	429	464	434	375	--	
y/y % change	-13.8	-18.1	-18.5	-24.5	-11.3	-15.7	-22.5	--	
Business Sector									
NEW: Rigs Drilling	286	259	230	306	115	88	115	167	239
y/y % change	30.4	-12.6	-7.4	9.5	-18.2	0.3	-17.3	-5.7	7.0
Goods Exports, customs based (y/y % change)	18.4	1.8	2.1	0.0	-1.0	11.6	-0.5	--	
Energy	19.2	2.1	2.1	-1.4	-2.4	12.3	0.4	--	
Farm, Fishing and Intermediate Food	27.2	20.6	0.7	5.4	-6.4	7.1	-16.0	--	
Farm Cash Receipts (quarterly, y/y % change)	16.7	14.1	9.3	9.3	--			--	
Manufacturing Shipments, SA (y/y % change)	17.3	3.4	-1.4	-3.6	-3.7	0.8	2.7	--	
Wholesale Trade, SA (y/y % change)	14.7	10.9	2.3	2.7	-0.3	0.0	--	--	
Building Permits, SA (y/y % change)	11.8	14.7	19.2	38.6	11.4	1.2	24.3	--	
Residential	5.2	17.7	14.8	14.6	18.4	12.3	15.8	--	
Non-residential	20.9	11.0	24.7	72.1	5.1	-12.0	36.1	--	
NEW: Business Bankruptcies	264	230	71	12	15	11	9	--	
y/y % change	30.2	-12.9	-47.0	-36.8	-25.0	-60.7	59.1	--	

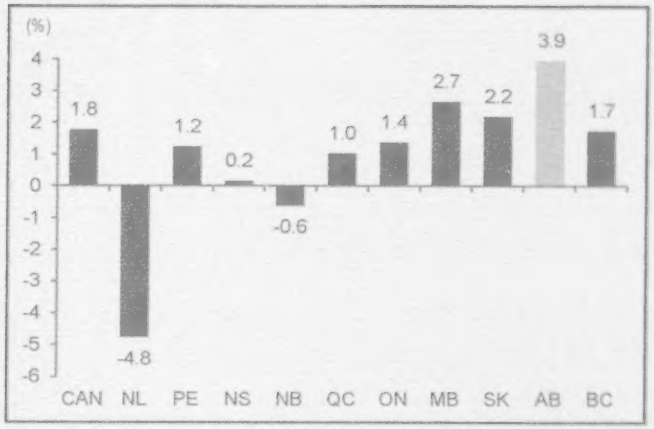
1 Quarterly; annual numbers are presented on a census year basis (July 1 – June 30)
2 Quarterly; average of Calgary and Edmonton
3 Average of Calgary and Edmonton
YTD (year-to-date) represents the change since the beginning of the year compared to the same period in the previous year. "SA" denotes seasonally adjusted. "SAAR" denotes seasonally adjusted at annual rate

Sources: All data are from Statistics Canada except Housing Starts (Canada Mortgage and Housing Corporation), MLS Average Resale Prices (Canada Real Estate Association), Rigs Drilling (Canadian Association of Oilwell Drilling Contractors) and Bankruptcies (office of the superintendent of Bankruptcy Canada).

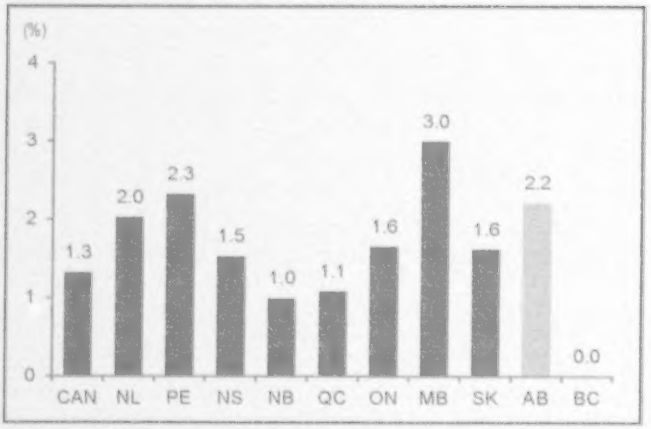
All historical data are subject to revision.

Economic Indicators by Province

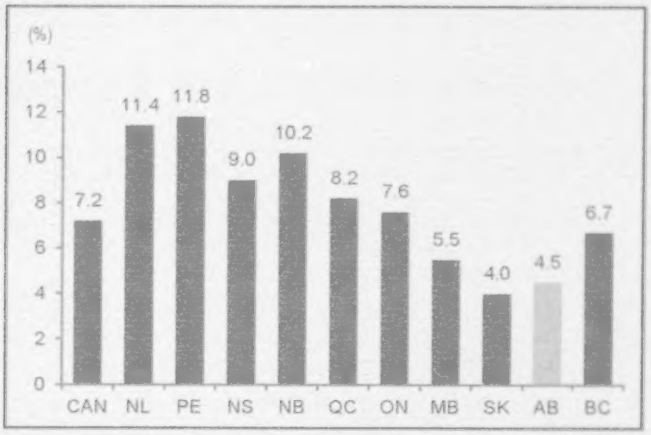
Real GDP by Industry
(2012, year-over-year growth)



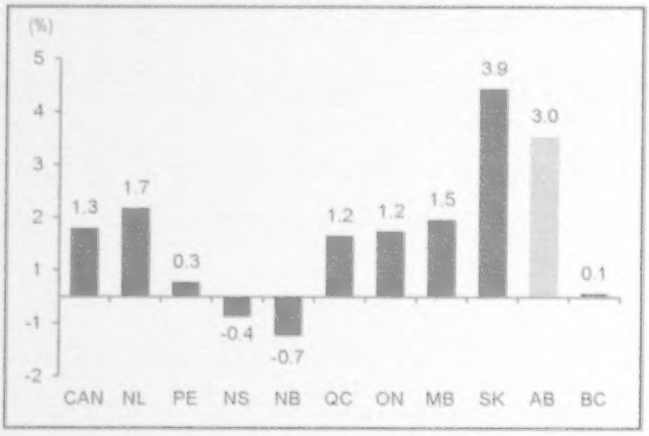
CPI Inflation
(July 2013, year-over-year growth)



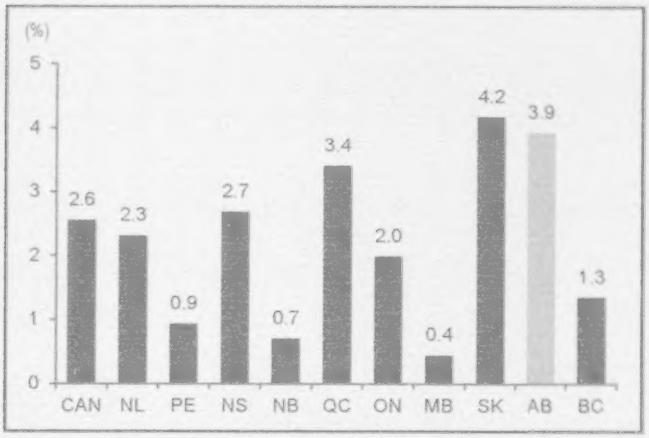
Unemployment Rate
(July 2013)



Employment
(July 2013, year-over-year growth)



Average Weekly Earnings
(June 2013, year-over-year growth)



Housing Starts
(July 2013, SAAR, year-over-year growth)